

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

2005-06

(session year)

Senate

(Assembly, Senate or Joint)

Committee on
Agriculture and
Insurance
(SC-AI)

File Naming Example:

Record of Comm. Proceedings ... RCP

- 05hr_AC-Ed_RCP_pt01a
- 05hr_AC-Ed_RCP_pt01b
- 05hr_AC-Ed_RCP_pt02

COMMITTEE NOTICES ...

➤ Committee Hearings ... CH (Public Hearing Announcements)

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Record of Comm. Proceedings ... RCP

➤ **

INFORMATION COLLECTED BY COMMITTEE
CLERK FOR AND AGAINST PROPOSAL

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Hearing Records ... HR (bills and resolutions)

➤ **05hr_ab1012_SC-AI_pt01**

➤ Miscellaneous ... Misc

➤ **

Vote Record
Committee on Agriculture and Insurance

Date: 3-6-06

Moved by: Hansen

Seconded by: Olsen

AB 1012

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

Appointment _____

AR _____

SR _____

Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

☐ Passage

☐ Adoption

☐ Confirmation

☒ Concurrence

☐ Indefinite Postponement

☐ Introduction

☐ Rejection

☐ Tabling

☐ Nonconcurrence

Committee Member

Senator Dan Kapanke, Chair

Aye

No

Absent

Not Voting

☒

☐

☐

☐

Senator Neal Kedzie

☒

☐

☐

☐

Senator Ronald Brown

☒

☐

☐

☐

Senator Luther Olsen

☒

☐

☐

☐

Senator Jon Erpenbach

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☐

☐

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Senator David Hansen

☒

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☐

Senator Mark Miller

☒

☐

☐

☐

Totals:

7

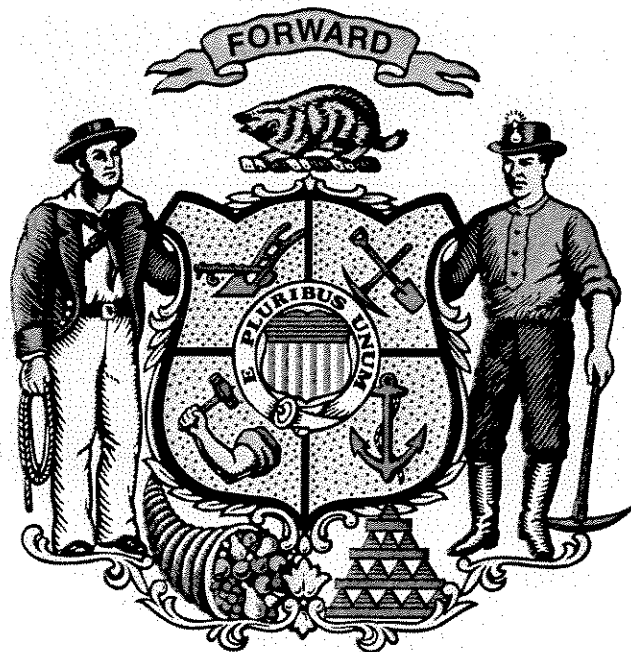
-

-

-

☒ Motion Carried

☐ Motion Failed



Supporters of AB1012

Registered or testified in favor of AB1012 at the Assembly Forestry Committee Hearing on February 14, 2006

* George Meyer
Wisconsin Wildlife Federation
720 St. Croix Street, Suite 101
PO Box 68
Prescott, WI 54021-0068

* Joe Hovel
6063 Bakers Lake Road
Conover, WI 54519

Kate Bugher
Wisconsin Educational Media Association
c/o WI Department of Public Instruction
125 S. Webster Street
Madison, WI 53703

Mark O'Connell, Executive Director
Wisconsin Counties Association
22 E. Mifflin Street
Madison, WI 53703

Rick Stadelman, Executive Director
Wisconsin Towns Association
W7686 County Road MMM
Shawano, WI 54166

Todd Holschbach
The Nature Conservancy
633 W. Main Street
Madison, WI 53703

Bob Jentz
Association of WI Snowmobile Clubs
5497 Waterford Lane, Suite B
Appleton, WI 54913

Town of Ainsworth
800 Clarmont Street
Antigo, WI 54409

Dick Connor
Pine River Lumber Company
PO Box 139
Long Lake, WI 54542

Gary Vander Wyst, Chair
WI Society of American Foresters
875 S. 4th Street
Park Falls, WI 54552

Kris Mayberry
Sawyer County Clerk
P.O. Box 836
Hayward, WI 54843

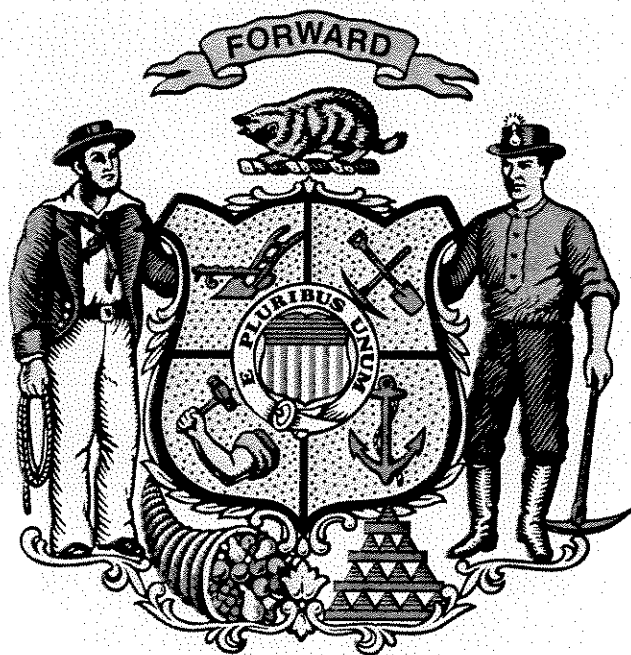
1000 Friends of Wisconsin
16 North Carroll Street, Suite 810
Madison, WI 53703

Senator Rob Cowles
Room 122 South
State Capitol
Madison, WI 53702

Representative Gary Sherman
Room 320 West
State Capitol
Madison, WI 53702

* Paul DeLong
WI Department of Natural Resources
101 S. Webster Street, AD5
Madison, WI 53703

* Indicates that the individual spoke in favor of the legislation at the hearing



From: Nelson, Tia
Sent: Tuesday, February 21, 2006 4:34 PM
To: Knudson, Steve
Subject: The letter

Dear Representative,

I am writing to encourage you to support A.B. 1012, a bi-partisan bill authored by Representatives Jensen and Sherman in the Assembly and by Senators Cowles and Decker. The bill will protect environmentally precious natural areas, provide some local governments with additional property tax relief, help fight forest fragmentation in the north, improve land management efficiency and increase public access to recreational lands. The Board of Commissioners of Public Lands strongly supports this legislation and has worked hard to help forge a broad based, diverse alliance of supporters, including:

The Wisconsin Counties Association, The Wisconsin Society of Professional Foresters, The Nature Conservancy, The Department of Natural Resources, The Towns Association, Pine River Lumber Company, The Wisconsin Wildlife Federation, The Association of Wisconsin Snowmobile Clubs, Gathering Waters, Wisconsin Educational Media Association, 1,000 Friends of Wisconsin, and others.

The primary purpose of this legislation is to provide for the realignment of BCPL land holdings into more productive timber management units, while providing a higher level of protection for natural area quality lands by consolidating these lands under the ownership of the DNR.

This land consolidation plan has the following benefits:

1. The transfer of natural area quality land from BCPL to the DNR
2. Increased tax receipts for local municipalities
3. Increased timber management efficiency
4. Reduced forest fragmentation
5. Increased public access for hunting, fishing and recreation

Some of you may recall that Rep. Jensen authored an amendment in Joint Finance last year to require the DNR to purchase all of BCPL's land using the Knowles Nelson Stewardship Fund. This agency did not support that amendment, but did reach out to Rep. Jensen to understand his motivations and find common ground. Working together in consultation with numerous individuals and groups Scott and I developed A.B. 1012. The bill we have crafted passed the Assembly Forestry Committee 5-0 last week, and has broad bi-partisan support. This bill is different from the Joint Finance amendment in the following two key ways:

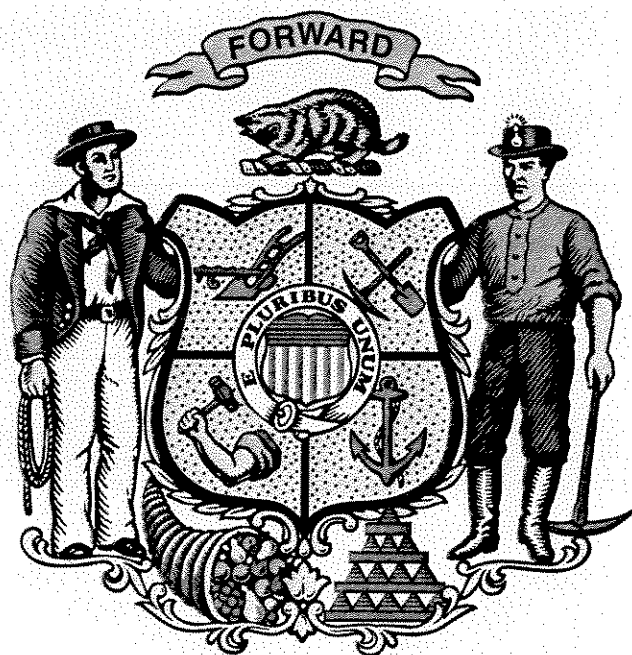
- A. The bill targets for DNR acquisition only BCPL's natural area quality land, and
- B. The bill grants limited "land bank" authority to BCPL to use the proceeds of these sales to acquire other timber producing lands which will provide for the realignment of BCPL land into more productive timber management units.

Thank you for your time and consideration. I am pleased and proud to be apart of this important effort to protect 12,000 acres of environmentally precious land, and better manage state lands for the benefit of all Wisconsin citizens.

Let me know if you have any questions or concerns .

Sincerely , Tia

Tia Nelson, Executive Secretary
Board of Commissioners of Public Lands
125 S. Webster Street, Room 200
PO Box 8943
Madison, WI 53708-8943
(608) 266-8369 (608) 267-2787 - Fax
tia.nelson@bcpl.state.wi.us
<<http://bcpl.state.wi.us/>>



CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

Board of Commissioners of Public Lands
125 South Webster Street, Room 200
Post Office Box 8943
Madison, Wisconsin 53708-8943
Lands (608) 266-1370
Loans (608) 266-0034

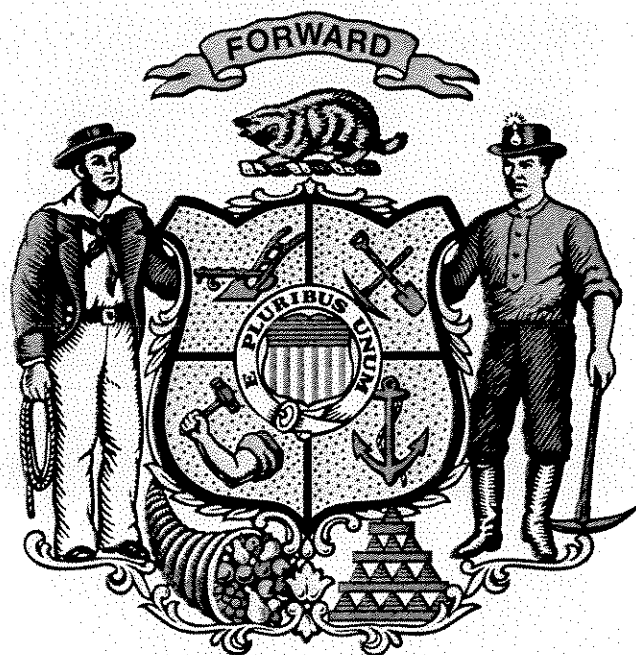
DATE: February 24, 2006
TO: Senators Cowles, Olsen, Darling, Risser, Breske, Harsdorf, Lassa and Decker
FROM: Tia Nelson, Executive Secretary
SUBJECT: AB1012

COPY

I have prepared the following information for you regarding AB1012, which was passed in the Assembly on Thursday, February 23:

- Talking points
- A letter of support from BCPL to all Assembly members
- The Concept Paper
- A list of people and organizations who registered at the Assembly Committee on Forestry hearing in favor of AB1012, which passed unanimously.
- A map of our consolidation area
- A pie chart showing how much land we manage for timber, how much is isolated and non-productive, and how much are natural areas.*
- A background paper on BCPL

* [NOTE: You may notice that we have over 23,000 acres of natural area quality land shown on the pie chart and that this bill only deals with approximately 12,000 acres. The difference in numbers can be explained by the fact that we have over 10,000 acres within Forest Service boundaries. The bill does not affect those lands within Forest Service boundaries.]



CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

Board of Commissioners of Public Lands
125 South Webster Street, Room 200
Post Office Box 8943
Madison, Wisconsin 53708-8943
Lands (608) 266-1370
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Talking Points for AB1012

- The primary purpose of this legislation is to provide for the realignment of BCPL land holdings into more productive timber management units, while consolidating natural areas under the ownership of the DNR.
- The bill directs the DNR to spend \$2 million a year from the Stewardship Fund to purchase BCPL natural area lands. The bill also allows DNR to purchase additional BCPL land that fall within an existing DNR project that is not a natural area (e.g. forests, parks, wild lakes etc.). The DNR will then make PILT on all lands it acquires.
- The bill grants BCPL limited "land bank" authority to deposit the proceeds of these sales in an account which will then be used to consolidate and block in larger tracts of timber producing lands, otherwise know as "working forests." BCPL will make payments in lieu of taxes on these lands based on the property taxes levied prior to acquisition.
- BCPL will also sell its isolated non-productive parcels and use the proceeds of those sales in the same manner as above.
- BCPL cannot own more acres of land with this authority then it currently owns.
- All land acquired by BCPL with this authority must meet at least one of the following criteria:
 1. Increase timber management efficiency
 2. Reduce forest fragmentation
 3. Increase public access to existing BCPL lands
- This bill differs from last year's Joint Finance amendment in two ways.
 1. It targets only BCPL natural areas (and possibly a small amount of other lands within existing DNR boundaries)
 2. It allows BCPL to use the proceeds of these sales and the sales of other non-productive parcels to consolidate its land holding into more productive timber management units.

From: Nelson, Tia
Sent: Tuesday, February 21, 2006 4:34 PM
To: Knudson, Steve
Subject: The letter

Dear Representative,

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The Wisconsin Counties Association, The Wisconsin Society of Professional Foresters, The Nature Conservancy, The Department of Natural Resources, The Towns Association, Pine River Lumber Company, The Wisconsin Wildlife Federation, The Association of Wisconsin Snowmobile Clubs, Gathering Waters, Wisconsin Educational Media Association, 1,000 Friends of Wisconsin, and others.

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- A. The bill targets for DNR acquisition only BCPL's natural area quality land, and
- B. The bill grants limited "land bank" authority to BCPL to use the proceeds of these sales to acquire other timber producing lands which will provide for the realignment of BCPL land into more productive timber management units.

Thank you for your time and consideration. I am pleased and proud to be apart of this important effort to protect 12,000 acres of environmentally precious land, and better manage state lands for the benefit of all Wisconsin citizens.

Let me know if you have any questions or concerns.

Sincerely, Tia

Tia Nelson, Executive Secretary
Board of Commissioners of Public Lands
125 S. Webster Street, Room 200
PO Box 8943
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(608) 266-8369 (608) 267-2787 - Fax
tia.nelson@bcpl.state.wi.us
<<http://bcpl.state.wi.us/>>

Concept Paper

DNR/Board of Commissioners of Public Lands

Collaboration on Sustainable Forestry and Natural Areas Management

Purpose

To further the goal of improving the management efficiency of state lands through the transfer of certain BCPL owned lands to the DNR and the granting of limited "land bank" authority to BCPL for improving its timber management.

The goal includes structuring and pacing the proposed acquisition of BCPL lands in a manner which allows the DNR flexibility to complete other high priority transactions, while ensuring measurable progress towards the goal of consolidating natural area lands under a single agency.

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DNR Acquisition of BCPL Owned Lands

The goals of the proposed acquisitions are to achieve the greatest amount of conservation at the lowest cost to the Stewardship Fund. That goal includes structuring and pacing the proposed acquisitions to minimize the extent to which it compromises DNR's ability to complete other priority transactions.

There are three categories of BCPL owned land that should be managed by DNR or have additional conservation protections:

Natural Areas Lands:

# BCPL Natural Area quality lands within an existing DNR project boundary	3,471 acres
# BCPL Natural Area quality lands not within an existing DNR project	8,667 acres

Other Lands:

# BCPL non Natural Area lands within existing DNR project boundaries	TBD
----------------------------------------------------------------------	-----

TOTAL

12,138

Supporters of AB1012

Registered or testified in favor of AB1012 at the
Assembly Forestry Committee Hearing
on February 14, 2006

* George Meyer
Wisconsin Wildlife Federation
720 St. Croix Street, Suite 101
PO Box 68
Prescott, WI 54021-0068

* Joe Hovel

Kate Bugher
Wisconsin Educational Media Association
c/o WI Department of Public Instruction
125 S. Webster Street
Madison, WI 53703

Mark O'Connell, Executive Director
Wisconsin Counties Association
22 E. Mifflin Street
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Rick Stadelman, Executive Director
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Todd Holschbach
The Nature Conservancy
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Bob Jentz
Association of WI Snowmobile Clubs
5497 Waterford Lane, Suite B
Appleton, WI 54913

Town of Ainsworth
800 Clarmont Street
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Dick Connor
Pine River Lumber Company

Gary Vander Wyst, Chair
WI Society of American Foresters
875 S. 4th Street
Park Falls, WI 54552

Kris Mayberry
Sawyer County Clerk
P.O. Box 836
Hayward, WI 54843

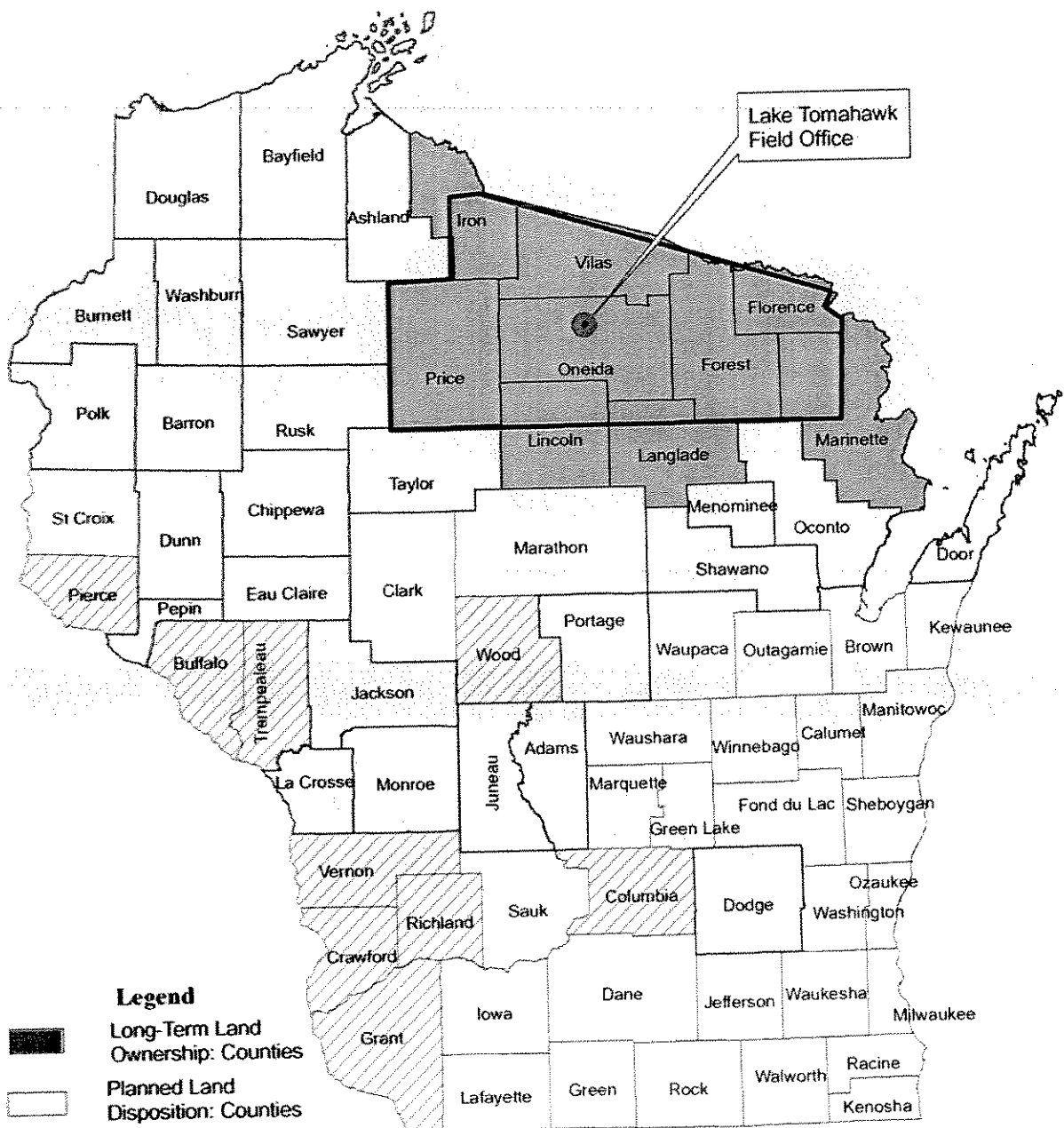
1000 Friends of Wisconsin
16 North Carroll Street, Suite 810
Madison, WI 53703

Senator Rob Cowles
Room 122 South
State Capitol
Madison, WI 53702





Representative Gary Sherman
Room 320 West
State Capitol
Madison, WI 53702

* Paul DeLong
WI Department of Natural Resources
101 S. Webster Street, AD5
Madison, WI 53703

BCPL Land Consolidation Status-12/2004

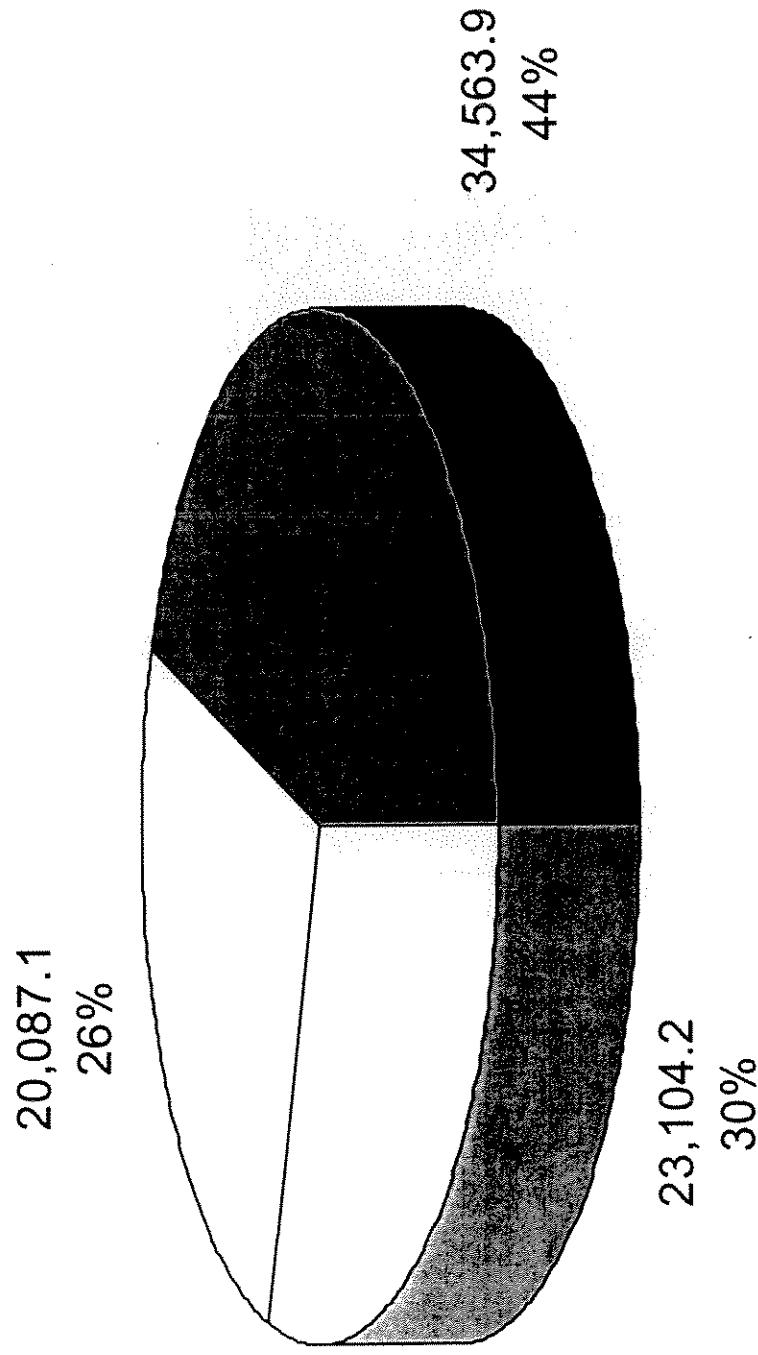


Legend

-  Long-Term Land Ownership: Counties
-  Planned Land Disposition: Counties
-  Recent Land Ownership Disposition: Counties
-  Target Area for Long-Term Ownership

BCPL Land Management Analysis

Total Acreage = 77,755.2



■ Timberland □ Natural Areas Quality □ Wetland/Open Water or Non-forested Lands

Total Natural Areas Quality Lands Include both NA1 and NA2 Parcels.

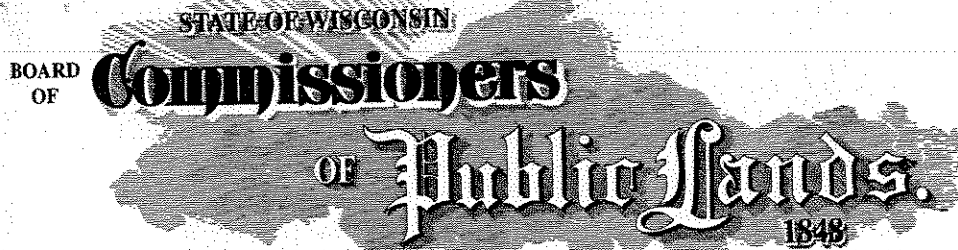
Prepared by BCPL_I/T 11/14/2005

Wedge Composition:

Natural Areas Quality Land contains all BCPL land identified by the BCPL biotic inventory as either NA1 or NA2, regardless of primary covertype category.

Timberland is all non-NA quality BCPL land with a primary covertype category that is a harvestable, revenue producing, timber species type.

Wetland/Open Water or Non-forested Lands are all non-NA quality BCPL land with a primary covertype description that is not manageable for revenue producing timber.



Douglas La Follette
Secretary of State

Jack C. Voight
State Treasurer

Peggy A. Lautenschlager
Attorney General

Tia Nelson
Executive Secretary

Location: 125 S. Webster Street, Room 200 • Madison, WI 53702

Mailing Address: PO Box 8943 • Madison, WI 53708-8943

General Information (608) 266-1370 • Loans (608) 266-0034 • Fax (608) 267-2787 • Website <http://bcpl.state.wi.us>

Fact Sheet

The Board of Commissioners of Public Lands is Wisconsin's oldest state agency and was created in the Wisconsin Constitution in 1848. Currently the three board members are Doug La Follette, Secretary of State; Peggy A. Lautenschlager, Attorney General; and Jack Voight, State Treasurer. The agency is responsible for managing **Trust Assets** for the benefit of public education in Wisconsin. The **Trust Assets** include **Trust Funds**, which total over \$634 million, and **Trust Lands** totaling nearly 78,000 acres, as of January 2006. The **Trust Assets** are derived from the sale of lands granted to the State by the federal government in the 1800's and from other sources as directed by the Wisconsin Constitution and State Statutes. The beneficiaries of the **Trust Fund** include the State's K-12 public school libraries, which receive the majority of the **Trust Funds'** annual earnings. In Fiscal Year 2006, \$28.2 million will be distributed for library support, the largest earnings ever and a 15% increase over the previous year.

The three program areas administered by the Board of Commissioners of Public Lands are:

Trust Funds Investment Program

The principal of the **Trust Funds** is invested primarily as loans to school districts and local governments for public purposes. The **Trust Funds** also purchase bonds issued by various Wisconsin public entities. These investments are authorized by State Statutes and secured as general obligation debt of the borrower. Loans provided through the **State Trust Fund Loan Program** are an important source of financing for many of Wisconsin's school districts and local governments. There are four **Trust Funds** with separate sources of funding and beneficiaries.

- ❖ The principal balance of the **Common School Fund** totals over \$613 million and its earnings are used to support public school libraries. Its principal grows through the collection of fees, fines and forfeitures, proceeds from the State Treasurer's Unclaimed Property program, and timber sale revenue.

- ❖ The **Normal School Fund** totals over \$20 million and its earnings are transferred to the general fund. Its principal grows through the proceeds of timber sales on **Trust Lands**.

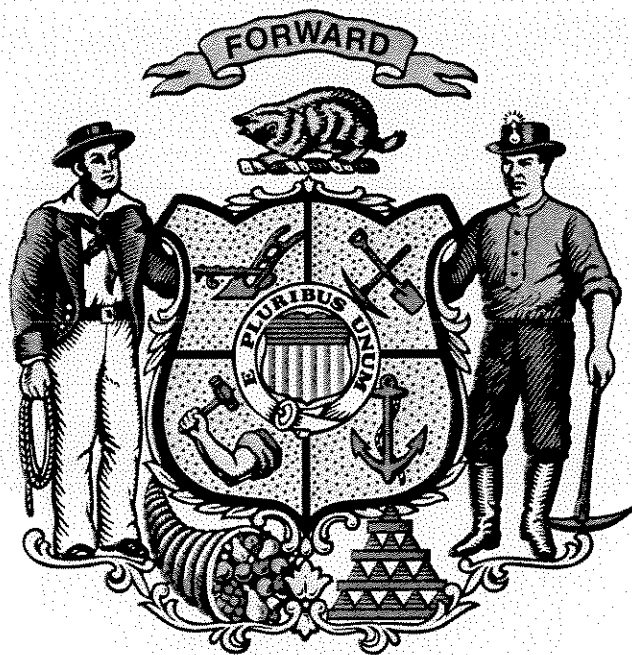
- ❖ Earnings from the **Agricultural College Fund** and the **University Fund** are provided to the University of Wisconsin System. Their balances are \$305,300 and \$234,200, respectively.

Trust Lands Management Program

The Board manages approximately 78,000 acres of **Trust Lands** primarily for sustainable forestry. The **Trust Lands** are also available for public use including outdoor recreation. In addition, these lands provide the public benefit of protecting water quality and biological diversity. These lands are located mostly in the northern Wisconsin counties of Ashland, Florence, Forest, Iron, Marinette, Oneida, Price, Sawyer and Vilas.

Land Records Program

The Board maintains a repository of land records related to the approximately 10 million acres of land granted to Wisconsin in the 1800's by the federal government. Included are documents conveying the lands to the State, the management of those lands, and their sale to private parties. Additionally, the Board has custody of the original Public Land Survey field notes and plat maps which document the property description upon which all land ownership in Wisconsin is based. These records are regularly consulted for legal, administrative and historical research.





Association of Wisconsin Snowmobile Clubs, Inc.

5497 WATERFORD LANE, SUITE B, APPLETON, 54913
PHONE: (920) 734-5530 • FAX: (920) 734-5528
WEB: www.awsc.org • E-MAIL: awsc@awsc.org

MEMORANDUM

TO: Members, Senate Committee on Agriculture and Insurance
FROM: Association of Wisconsin Snowmobile Clubs (AWSC)
DATE: March 1, 2006
RE: Support of **Assembly Bill 1012 (LRB 4418)**

The Association of Wisconsin Snowmobile Clubs (AWSC) requests your support of Assembly Bill 1012 offered by Representative Jensen.

Historically, the AWSC has enjoyed a high level of cooperation with the Board of Commissioners of Public Lands (BCPL). Together, we have been able to create and maintain trails on lands controlled by the BCPL to the benefit of Wisconsin's outdoor enthusiasts.

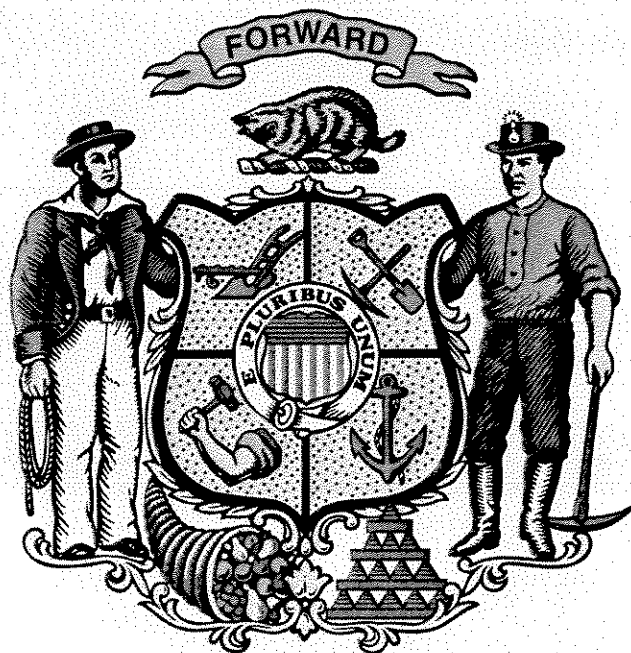
The issue of fragmentation of land ownership throughout Wisconsin makes it difficult and time-consuming for our 600+ snowmobile clubs to maintain the integrity of nearly 30,000 miles of snowmobile trails. Currently, some 40,000 land owners participate in our trail system, and sales of major blocks of land which are then divided among new owners create severe challenges for our volunteers seeking to maintain our trails.

Simply, the fragmentation of land ownership has been and will continue to be one of the major challenges facing the AWSC. Efforts to consolidate ownership of parcels of land provide immediate, positive benefits for all of us who enjoy Wisconsin's snowmobile trails.

The consolidation aspects of Assembly Bill 1012 deserve the AWSC's full endorsement, and we ask for your support of the measure.

Thank you.

United We Trail – Divided We Fail



**Testimony before the
Senate Committee on Agriculture and Insurance**

**AB1012 – A Collaboration on Sustainable
Forestry and Natural Areas Management**

March 1, 2006

Tia Nelson, Executive Secretary
Board of Commissioners of Public Lands

Introduction

The Board of Commissioners of Public Lands (BCPL) is Wisconsin's oldest state agency. It was created in 1848 by the State Constitution to sell millions of acres of land granted to the state by the federal government to support public education and the development of the state's infrastructure. Over 10 million acres, nearly one third of the state, were granted for these purposes. Approximately 60% of this total was granted for the construction of roads, canals, and railroads; the reclamation of swampland; and the construction of the first State Capitol. These lands were sold or distributed as directed by the original land grants. Other lands were granted specifically to support public education. Known as "Trust Lands," they totaled 3.6 million acres. Approximately 98% of these lands have been sold and the proceeds deposited into one of four Trust Funds. There remain 77,706 acres of Trust Lands in BCPL ownership. These remaining lands are managed for timber production wherever possible and the timber revenue generated on them is deposited into the appropriate Trust Fund.

The Board of Commissioners of Public Lands is a self-supporting, program revenue agency. Revenues are derived from earnings on investments of the Trust Funds. Principal of the Trust Funds continue to grow through a variety of fines, forfeitures, and unclaimed property, as well as timber sale revenue generated on the remaining Trust Lands. The Board's largest investment is the State Trust Fund Loan Program, which provides financing to school districts and municipalities throughout the state. The principal beneficiaries of the Trust assets are Wisconsin's K-12 public school libraries. With school districts facing increasing budget constraints, many rely on the Common School Fund as their sole source of library funding. The 2006 library aid disbursement from this fund will be \$28.2 million or over \$22 per student in every district.

The Attorney General, the Secretary of State, and the State Treasurer comprise the Board of Commissioners of Public Lands as created by Article X of the State Constitution. The Board appoints an Executive Secretary who is responsible for the on-going functions of the Board as detailed in Chapter 24 of the Wisconsin Statutes.

AB 1012

I am here today to testify in support of AB 1012. This legislation will improve the management efficiency of state lands through the transfer of BCPL natural area quality land to the DNR and the granting of 'land bank' authority to BCPL for the improvement of its timber management. The primary purpose of this legislation is to provide for the realignment of BCPL land into more productive timber management units, while consolidating natural area ownership under the DNR.

This land consolidation plan has the following benefits:

- I. The transfer of natural area quality land from BCPL to the DNR**
- II. Increased tax receipts for local municipalities**
- III. Increased timber management efficiency**
- IV. Reduced forest fragmentation**
- V. Increased public access for hunting, fishing and recreation**

As a life long conservationist who has enjoyed the north woods since I was a toddler, touched at an early age by the magic of northern forests, lakes and streams to which I have returned every year for almost 50 years, I wouldn't have imagined even 10 years ago that I would find myself today telling fellow conservationist that the most important tool we have to keep the north as we know and love it is by fostering an environmentally and economically sustainable timber economy.

Why is a healthy timber economy in northern Wisconsin so important as a conservation strategy? The answer is two-fold. First timber companies across the country are selling off their forestland under pressure from Wall Street to cash in on sky rocketing land values which far exceed timber earnings. As a result, large tracts of land are suddenly on the market, as is evidenced by International Paper's recent announcement that it intends to sell 65,000 acres of working forest in northeastern Wisconsin.

Secondly, Wisconsin is experiencing dramatic growth in second home development, especially up north. Some northern counties have experienced population increases of over 100% in just 10 years. So many of us have been drawn to the scenic beauty and recreational opportunities of the northwoods. Now we are witnessing a great change on the land which is leading to dramatic growth in forest fragmentation, diminishing access to public recreation and hunting areas and threatening healthy ecosystems. Northern Wisconsin as we have known it is rapidly changing. One of the most important tools we have to help reduce forest fragmentation and the "parcelization" of land into smaller and smaller pieces is for conservationists to team up with industry and government to work together to maintain "working forest" and develop easements which ensure sustainable forestry practices, public access and prevent development on large tracks of existing forest.

It can be done but it will require us to develop and employ new tools and reach across the political aisle to forge bipartisan alliances. Working together with environmentalists, industry and government we can get the job done. The job is too big and too important for us not to come together for the common good.

Current Land Holdings and Management Practices

Like many other public forest managers, the BCPL manages its lands under the multiple-use model with a full range of forest management activities that include: timber sales, timber regeneration, timber stand improvement, forest protection, and recreational activities. Unlike other land management agencies, the BCPL is responsible for generating revenue for its beneficiaries, while at the same time protecting and enhancing the assets of the Trust.

Land Consolidation Plan

To improve its timberland management, the BCPL is using existing trade authority to implement a Land Consolidation Plan approved unanimously by its Board on July 10, 2003. While the authority to trade land has allowed BCPL some limited success in consolidating the Trust Lands, it is not uncommon for a single trade to take a year to complete.

The intent of the consolidation plan is to dispose of isolated parcels within 24 counties (yellow area on map) and to reinvest the proceeds into the consolidation of larger blocks of land currently held within the nine counties that contain 90% of the state's Trust Lands (green area on map). The acquisition of additional lands within the consolidation zone will provide access to currently land-locked parcels, thus increasing management efficiency and productivity. It will also result in larger tracts of working forest.

The Land Bank

A motion supporting the Land Bank concept was approved unanimously by the Board of Commissioners on April 14, 2005. Modeled after legislation of several other states, it would allow the BCPL to use the proceeds from the sale of unproductive parcels to acquire land in order to increase timber revenue, reduce forest fragmentation or increase public access. The language specifies that there shall be no net gain in total acres of BCPL Trust Lands.

With Land Bank authority, the BCPL land base will change and result in more acres available for timber management. In collaboration with the BCPL the DNR has identified 12,000 acres of Natural Area quality sites on BCPL lands which would be purchased with Stewardship monies. In addition, BCPL has identified another 10,000 acres of isolated tracts that are unsuitable for timber management due to their size, location, forest type or because it is unforested wetlands.

The BCPL expects to gain access to most of its land locked [e.g. blocked from access] timber and sell parcels that are too small to economically manage. Therefore, we expect to have a net increase in productive timberland and corresponding timber sale revenue once purchased tracts become harvestable. This translates into an estimated net increase of at least 1 million board feet of additional timber harvest annually. By way of illustration: In the past five years, through land exchanges that have provided the BCPL access to previously inaccessible timber, an additional \$173,000 in timber revenue on 345 acres was generated.

Trust Land agencies in other states, such as Utah, Colorado and Washington, have successfully created and implemented similar Land Bank programs to increase the efficiency of their land management programs.

How the Land Bank Would Work

- Based on the language in Assembly Bill 1012 the land purchased using funds from the Land Bank must do one or more of the following:
 1. improve the efficiency of BCPL's timberland management activities.
 2. address forest fragmentation issues.
 3. increase public access to BCPL land.
- Board staff have developed the following criteria for evaluating Land Bank transactions:
 - A. *Management Efficiency*
 - 1) The percentage of upland of BCPL properties must increase over the long term.
 - 2) The average productivity of forest soils measured by the site index must increase over the long term.
 - 3) The amount of line work per acre must decrease.
 - B. *Forest Fragmentation*
 - 5) The average tract size must increase.
 - 6) The ratio of perimeter to area must decrease.
 - C. *Public Access*
 - 7) The number of acres open to the public must increase.

At a minimum, four of the seven criteria stated above should be satisfied in order for a transaction to proceed to completion.

The BCPL will screen all land holdings for retention or sale. Parcels that cannot meet the criteria of retention would be available for sale, with the proceeds temporarily held by the Land Bank. Criteria for retention include but are not

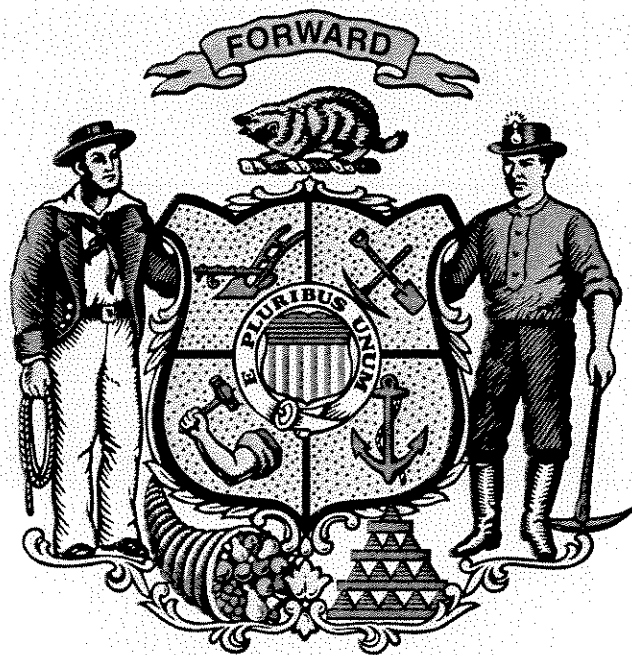
limited to those lands that:

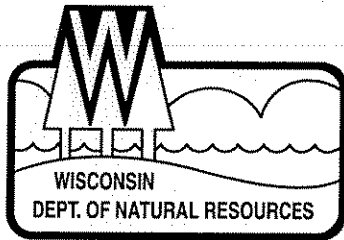
1. provide access to other BCPL property.
2. have logging access or the opportunity to obtain a recordable easement for management purposes.
3. are suitable for ownership by another public agency within an existing project boundary.

The initial effort under the authority granted by this legislation will be to sell any lands to the DNR which are identified as being appropriate for inclusion in its Natural Areas Program. All additional lands identified for sale, particularly those which are located within the boundaries of governmental units project areas, such as county forests, will first be offered for inclusion into those projects. Lands will then be offered for public sale.

- Private consultants will be hired to assist with appraisals, title work and real estate services. All costs would be borne by the corresponding transaction.
- Sales would be conducted on a per county basis with advertising being placed both locally and in major Wisconsin real estate markets.
- The BCPL would conduct periodic sales of these lands using the sealed bid process. Funds generated through Land Bank sales will be deposited in a separate account and made available for BCPL land purchases within the area targeted for long-term ownership (green area on map), which will help to consolidate productive timberland blocks.

Attachment: BCPL Land Consolidation Map





State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Scott Hassett, Secretary

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Senate Agriculture and Insurance Committee March 1, 2006

DNR Testimony on AB 1012

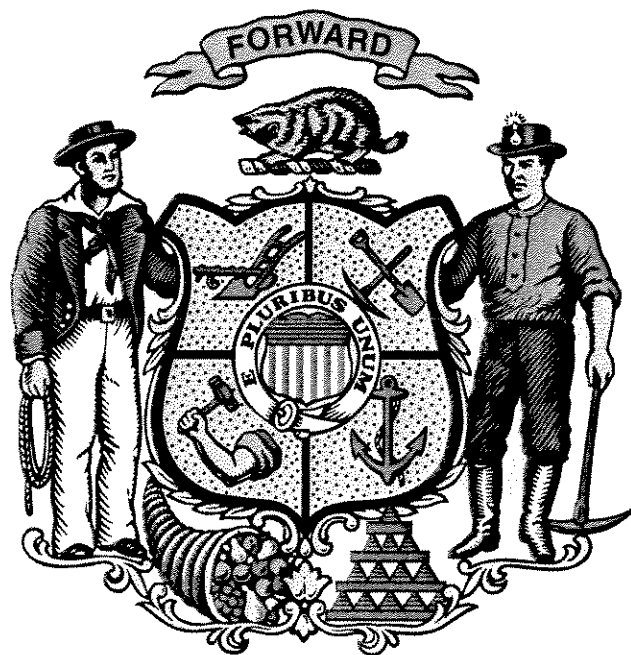
Good morning Mr. Chairman and members of the committee. I am Tim Mulhern, Deputy Administrator of the DNR's Division of Forestry. I am pleased to be here this morning to speak on behalf of the Department regarding AB 1012. The Department supports AB 1012.

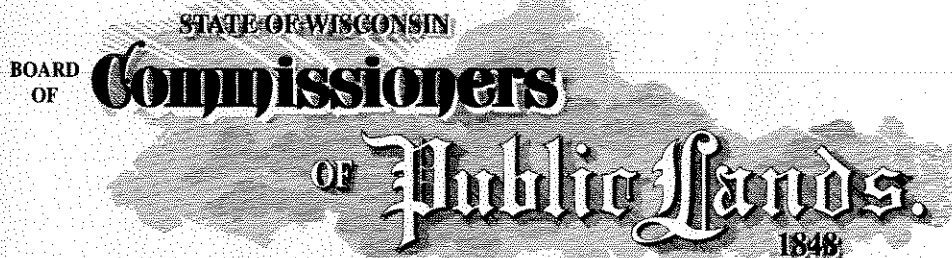
I'd like to thank Representative Jensen and BCPL Executive Secretary Tia Nelson for their work with Department staff to address issues and concerns regarding the concept being advanced in this bill. The bill that has resulted is in a form that the Department supports for the following reasons:

- BCPL is a constitutional entity with a mission not to conserve land, but to ensure a return on their investments to serve their beneficiaries.
- Therefore, lands owned by BCPL that have natural area qualities should be under the long-term management of the DNR, which has a conservation mandate.
- BCPL has managed productive forestland to produce a return on investment to their beneficiaries. By giving them authority to use the proceeds of the sale of BCPL lands to purchase other productive forest lands that consolidate their ownership will increase the efficient management of those lands and reduce forest fragmentation by increasing the size of these public blocks of forestland.
- These consolidated blocks of working forest land will increase public recreational access and support local economies.
- This bill provides that the lands exchanged will provide increased tax receipts to local governments.
- The bill recognizes the responsibility of the Natural Resources Board to review and approve all purchases of land proposed by DNR.

As you know, the Department has been actively working with partners to address the range of issues affecting the long-term sustainability of Wisconsin's forests. Forest fragmentation, recreational access to forest land, the health of the forest products industry, and protection of biological diversity are four such issues. All four will be positively affected by this bill. For this reason, the Department supports this bill.

I would be happy to address any questions you might have.





Douglas La Follette
Secretary of State

Jack C. Voight
State Treasurer

Peggy A. Lautenschlager
Attorney General

Tia Nelson
Executive Secretary

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Fact Sheet

The Board of Commissioners of Public Lands is Wisconsin's oldest state agency and was created in the Wisconsin Constitution in 1848. Currently the three board members are Doug La Follette, Secretary of State; Peggy A. Lautenschlager, Attorney General; and Jack Voight, State Treasurer. The agency is responsible for managing **Trust Assets** for the benefit of public education in Wisconsin. The **Trust Assets** include **Trust Funds**, which total over \$634 million, and **Trust Lands** totaling nearly 78,000 acres, as of January 2006. The **Trust Assets** are derived from the sale of lands granted to the State by the federal government in the 1800's and from other sources as directed by the Wisconsin Constitution and State Statutes. The beneficiaries of the **Trust Fund** include the State's K-12 public school libraries, which receive the majority of the **Trust Funds'** annual earnings. In Fiscal Year 2006, \$28.2 million will be distributed for library support, the largest earnings ever and a 15% increase over the previous year.

The three program areas administered by the Board of Commissioners of Public Lands are:

Trust Funds Investment Program

The principal of the **Trust Funds** is invested primarily as loans to school districts and local governments for public purposes. The **Trust Funds** also purchase bonds issued by various Wisconsin public entities. These investments are authorized by State Statutes and secured as general obligation debt of the borrower. Loans provided through the **State Trust Fund Loan Program** are an important source of financing for many of Wisconsin's school districts and local governments. There are four **Trust Funds** with separate sources of funding and beneficiaries.

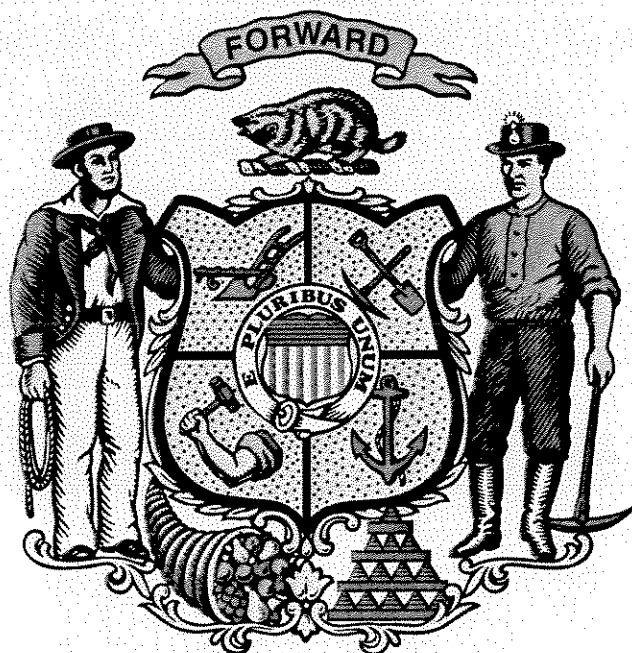
- ❖ The principal balance of the **Common School Fund** totals over \$613 million and its earnings are used to support public school libraries. Its principal grows through the collection of fees, fines and forfeitures, proceeds from the State Treasurer's Unclaimed Property program, and timber sale revenue.
- ❖ The **Normal School Fund** totals over \$20 million and its earnings are transferred to the general fund. Its principal grows through the proceeds of timber sales on **Trust Lands**.
- ❖ Earnings from the **Agricultural College Fund** and the **University Fund** are provided to the University of Wisconsin System. Their balances are \$305,300 and \$234,200, respectively.

Trust Lands Management Program

The Board manages approximately 78,000 acres of **Trust Lands** primarily for sustainable forestry. The **Trust Lands** are also available for public use including outdoor recreation. In addition, these lands provide the public benefit of protecting water quality and biological diversity. These lands are located mostly in the northern Wisconsin counties of Ashland, Florence, Forest, Iron, Marinette, Oneida, Price, Sawyer and Vilas.

Land Records Program

The Board maintains a repository of land records related to the approximately 10 million acres of land granted to Wisconsin in the 1800's by the federal government. Included are documents conveying the lands to the State, the management of those lands, and their sale to private parties. Additionally, the Board has custody of the original Public Land Survey field notes and plat maps which document the property description upon which all land ownership in Wisconsin is based. These records are regularly consulted for legal, administrative and historical research.



Concept Paper

DNR/Board of Commissioners of Public Lands

Collaboration on Sustainable Forestry and Natural Areas Management

Purpose

To further the goal of improving the management efficiency of state lands through the transfer of certain BCPL owned lands to the DNR and the granting of limited "land bank" authority to BCPL for improving its timber management.

The goal includes structuring and pacing the proposed acquisition of BCPL lands in a manner which allows the DNR flexibility to complete other high priority transactions, while ensuring measurable progress towards the goal of consolidating natural area lands under a single agency.

The primary purpose of this legislation is to provide for the realignment of BCPL land holdings into more productive timber management units, while consolidating natural areas under the ownership of the DNR.

This land consolidation plan has the following benefits:

- I. The transfer of natural area quality land from BCPL to the DNR**
- II. Increased tax receipts for local municipalities**
- III. Increased timber management efficiency**
- IV. Reduced forest fragmentation**
- V. Increased public access for hunting, fishing and recreation**

DNR Acquisition of BCPL Owned Lands

The goals of the proposed acquisitions are to achieve the greatest amount of conservation at the lowest cost to the Stewardship Fund. That goal includes structuring and pacing the proposed acquisitions to minimize the extent to which it compromises DNR's ability to complete other priority transactions.

There are three categories of BCPL owned land that should be managed by DNR or have additional conservation protections:

Natural Areas Lands:

# BCPL Natural Area quality lands within an existing DNR project boundary	3,471 acres
# BCPL Natural Area quality lands not within an existing DNR project	8,667 acres

Other Lands:

# BCPL non Natural Area lands within existing DNR project boundaries	TBD
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TOTAL	12,138
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Legislation would direct that DNR utilize Stewardship Funds to the extent available but not to exceed \$2 million in each year of 2007-2010 to obtain, directly or through trade, fee title or conservation easements on BCPL Natural Area quality land. Certain other BCPL lands within existing DNR project boundaries may also be included as agreed to by each respective agency. All proposed purchases by the DNR shall be subject to the existing Natural Resource Board review and approval process, and all proposed BCPL purchases shall be subject to Board of Commissioners review and approval.

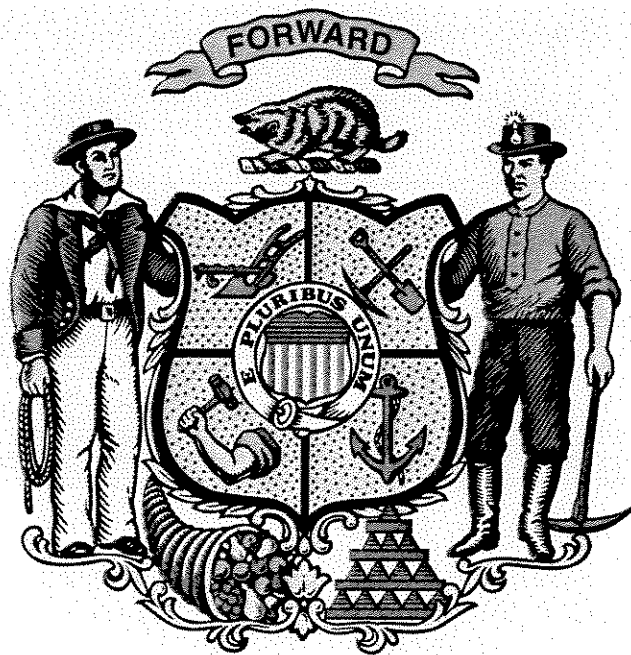
BCPL Land Bank Authority

BCPL will use the proceeds from the sale of its natural areas quality land and other non-productive or isolated parcels to invest in property that enhances the consolidation of its land holdings. Qualifying natural areas will be sold to the DNR, as well as certain other lands within existing DNR project boundaries. The remaining isolated or non-productive parcels will be offered for sale to local governments for right of first refusal, after which those parcels remaining will be made available for sale to private parties under a competitive, sealed bid process.

Land sale proceeds will be deposited in an account [e.g. land bank] within the applicable Trust Fund and can be used for land purchases under the following conditions: (a) the land to be purchased is within the land consolidation zone approved by the Board; (b) the total acreage of public land managed by the Board after such purchase shall not exceed the total acreage managed by the Board at the time this authority is granted; and (c) the BCPL has determined that the proposed purchase will do one or more of the following: (1) improve the Board's timber land management activities; (2) reduce forest fragmentation; or (3) increase public access to BCPL land.

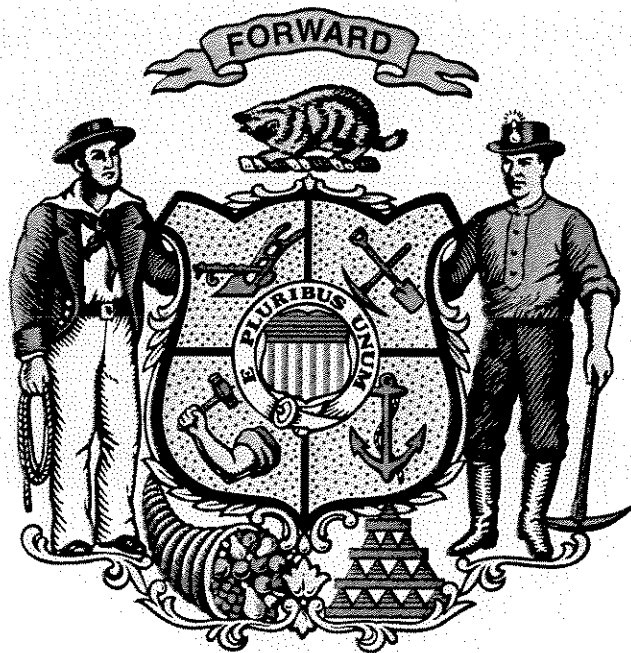
The legislation will establish accounts within the respective Trust Funds for the deposit of any proceeds from the sale of BCPL lands and will specify that monies in those accounts shall only be used to invest in future land purchases described above, or for costs associated with such purchases.

Further, this legislation shall require that the Board make annual payments in lieu of taxes to the appropriate local governmental unit for any land it purchases in an amount equal to the taxes assessed against such property at the time of purchase. Separate legislation will authorize an appropriation funded from the respective Trust Fund revenue to fund such payments.

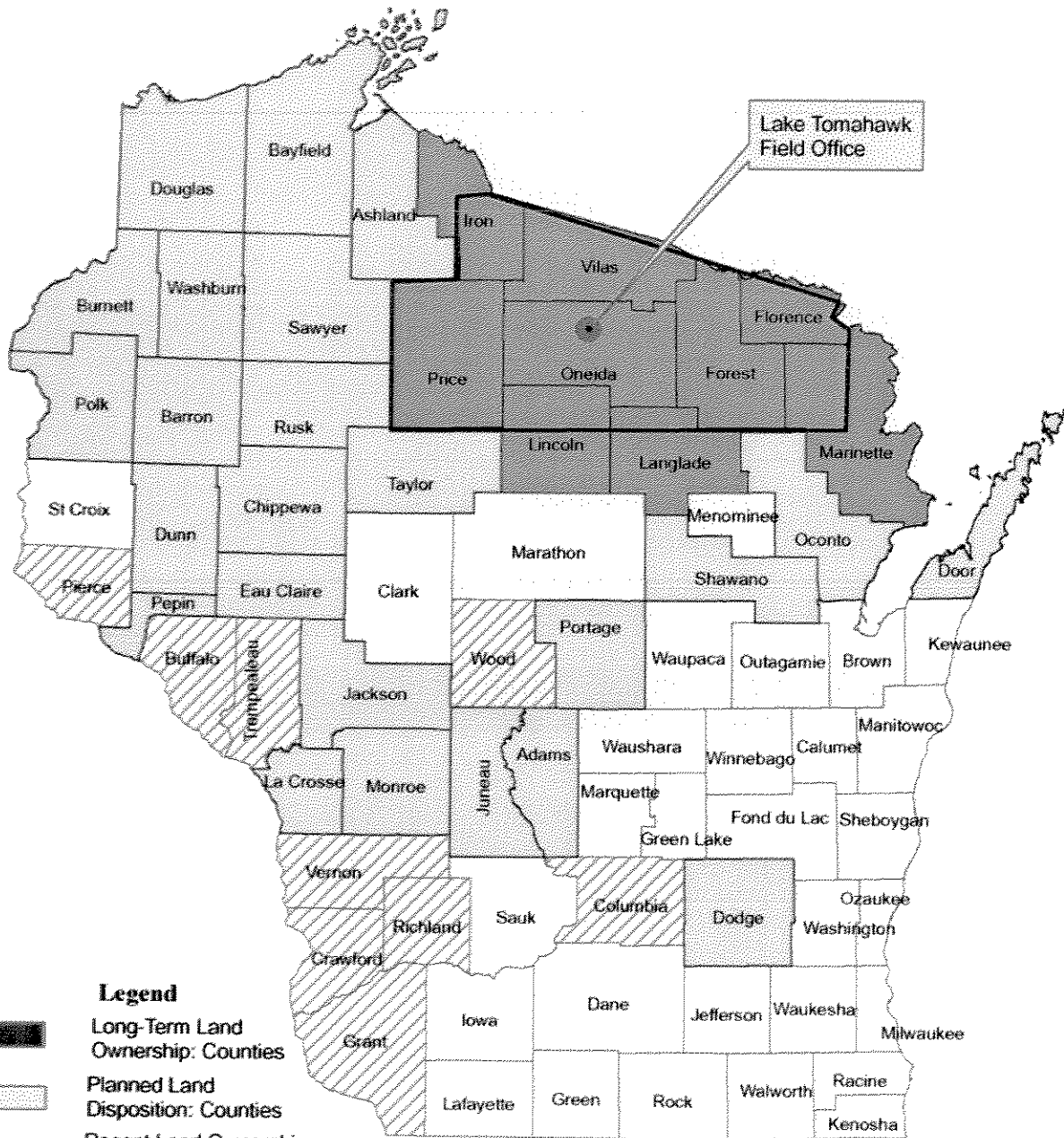


Talking Points for AB1012

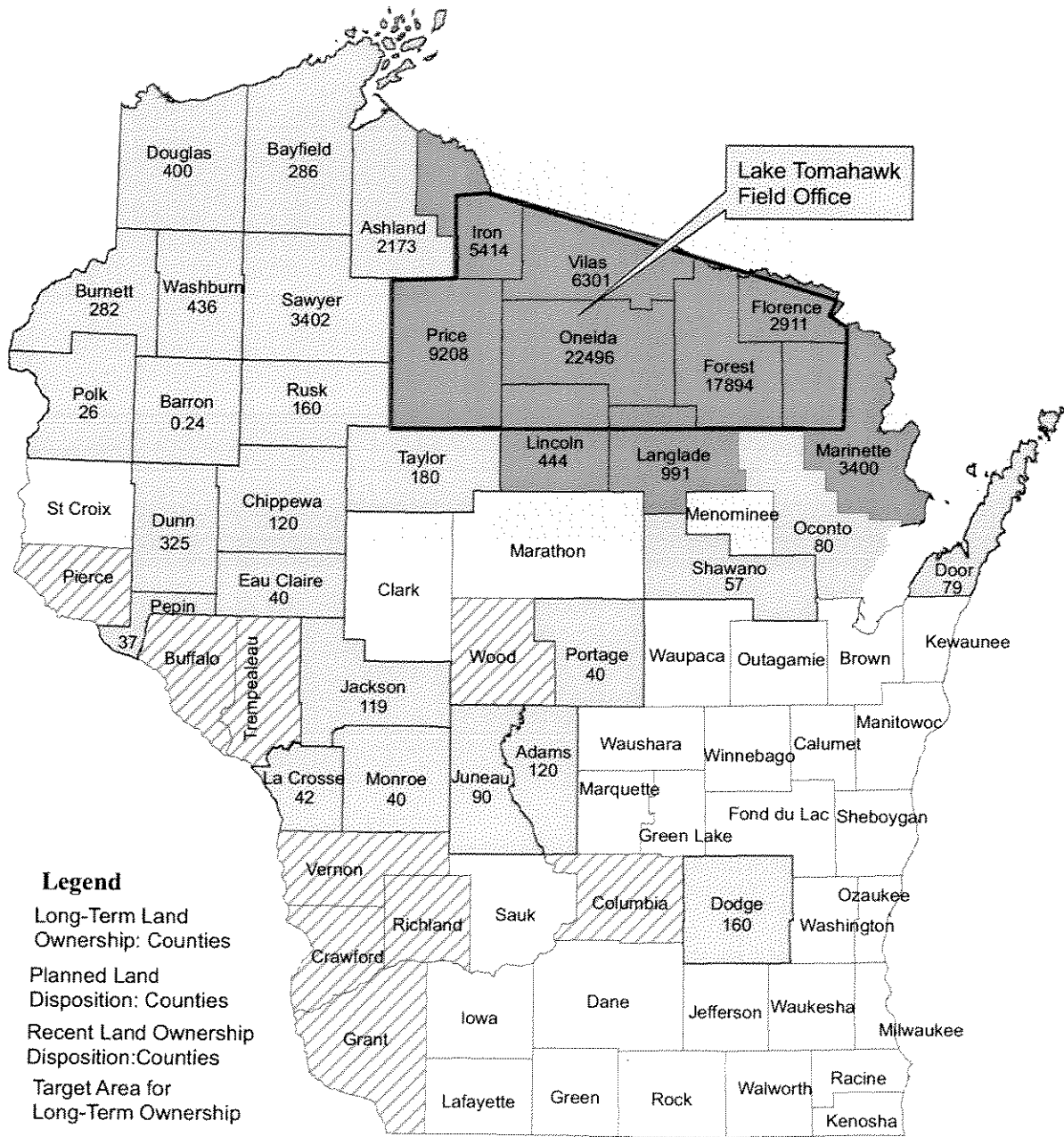
- The primary purpose of this legislation is to provide for the realignment of BCPL land holdings into more productive timber management units, while consolidating natural areas under the ownership of the DNR.
- The bill directs the DNR to spend \$2 million a year from the Stewardship Fund to purchase BCPL natural area lands. The bill also allows DNR to purchase additional BCPL land that fall within an existing DNR project that is not a natural area (e.g. forests, parks, wild lakes etc.). The DNR will then make PILT on all lands it acquires.
- The bill grants BCPL limited "land bank" authority to deposit the proceeds of these sales in an account which will then be used to consolidate and block in larger tracts of timber producing lands, otherwise know as "working forests." BCPL will make payments in lieu of taxes on these lands based on the property taxes levied prior to acquisition.
- BCPL will also sell its isolated non-productive parcels and use the proceeds of those sales in the same manner as above.
- BCPL cannot own more acres of land with this authority then it currently owns.
- All land acquired by BCPL with this authority must meet at least one of the following criteria:
 1. Increase timber management efficiency
 2. Reduce forest fragmentation
 3. Increase public access to existing BCPL lands
- This bill differs from last year's Joint Finance amendment in two ways.
 1. It targets only BCPL natural areas (and possibly a small amount of other lands within existing DNR boundaries)
 2. It allows BCPL to use the proceeds of these sales and the sales of other non-productive parcels to consolidate its land holding into more productive timber management units.



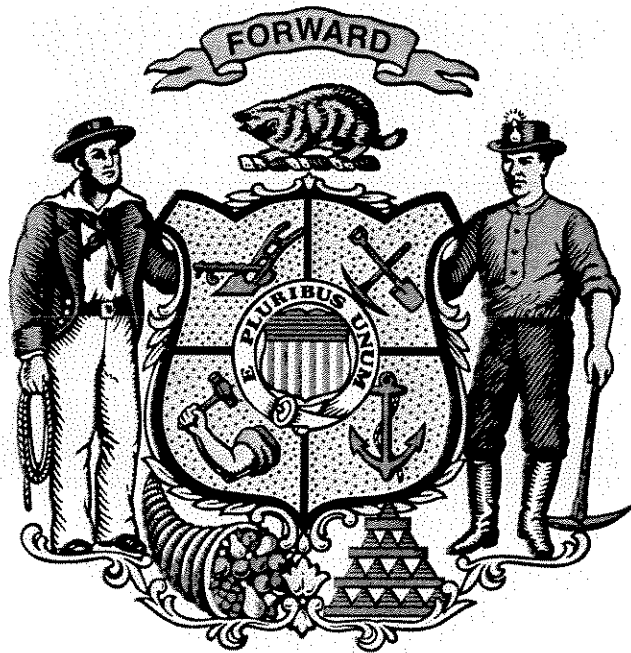
BCPL Land Consolidation Status-12/2004



BCPL Land Ownership Acreage Per County

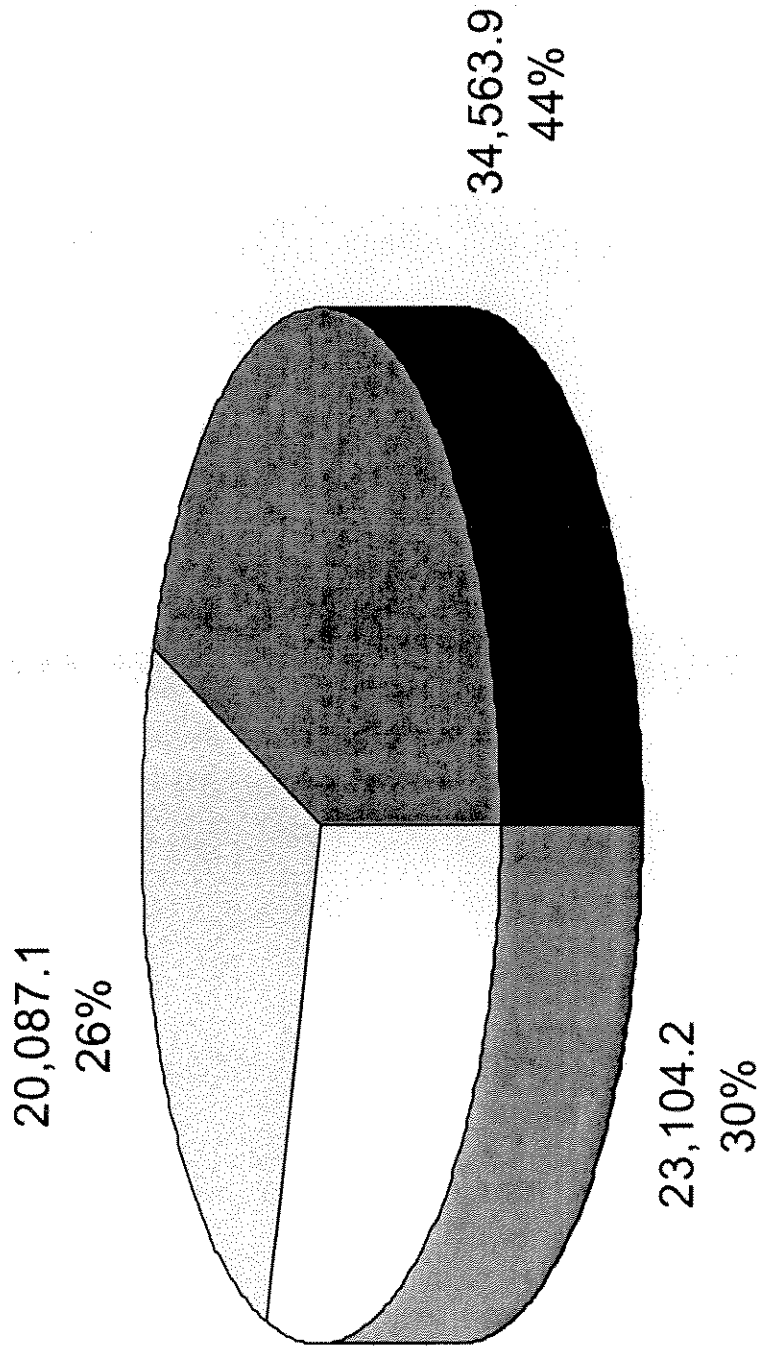


February 2005



BCPL Land Management Analysis

Total Acreage = 77,755.2



■ Timberland □ Natural Areas Quality □ Wetland/Open Water or Non-forested Lands

Total Natural Areas Quality Lands Include both NA1 and NA2 Parcels.

Prepared by BCPL_I/T 11/14/2005

Wedge Composition:

Natural Areas Quality Land contains all BCPL land identified by the BCPL biotic inventory as either NA1 or NA2, regardless of primary covertype category.

Timberland is all non-NA quality BCPL land with a primary covertype category that is a harvestable, revenue producing, timber species type.

Wetland/Open Water or Non-forested Lands are all non-NA quality BCPL land with a primary covertype description that is not manageable for revenue producing timber.